

July 16, 2015

Filed Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

RE: *Connect America Fund*, WC Docket No. 10-90

Dear Ms. Dortch:

On Wednesday, July 15, 2015, Archie Macias of Wheat State Telephone ("Wheat State"); Brian Boisvert of Wilson Communications ("Wilson"); and Gerry Duffy representing WTA – Advocates for Rural Broadband ("WTA") met with Nicholas Degani, Legal Advisor, Wireline to Commissioner Ajit Pai, to discuss their experience in serving rural Kansas and its relevance to universal service reform.

Wheat State serves six exchanges (approximately 1,600 access lines) in rural southeastern Kansas, while Wilson serves seven exchanges (approximately 1,500 customers) in rural central Kansas. Both rural local exchange carriers ("RLECs") have deployed fiber-to-the-home ("FTTH") throughout extensive portions of their service areas, with Wheat State scheduled to finish deploying FTTH in all six of its exchanges by November 2015, and Wilson having deployed FTTH in five of its seven exchanges. Both companies serve households, small businesses, farms and schools -- all of which have growing bandwidth needs and demands. At this time, their most popular residential broadband services are in the 5-to-15 Megabits per second ("Mbps") range, with some customers starting to ask for 25 Mbps services. Both companies offer video services in areas where they have deployed FTTH. Neither company has local wireline or fixed wireless competitors for voice, data or video services.

Both RLECs emphasized the need for stable, predictable and sufficient universal service support mechanisms to enable them to invest in broadband infrastructure, and to repay their outstanding Rural Utilities Service ("RUS") loans for previous network investments. Wheat State related how the uncertain future of universal service support during the preceding decade led it to delay upgrading its former 45-year-old copper plant as long as possible until it had no choice but to begin replacing it during 2012. Wilson indicated that it has upgraded five of its seven exchanges, but cannot presently justify upgrading its remaining two small exchanges (approximately 200 access lines) until existing uncertainties regarding future universal service support mechanisms are resolved. Particularly given that broadband infrastructure investments entail major capital outlays for RLECs, are generally financed via RUS and other loans having terms of 15-to-20 years or more, and have useful lives of 20-to-30 years or more, both companies stressed the need for a stable, long-term high cost support program upon which RLECs and their financing sources can rely.

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Wheat State and Wilson also noted the increasing demands by their rural customers for stand-alone broadband services. Both companies indicated that their rural customers are increasingly becoming aggravated when told that they need to take unwanted voice service in order to obtain broadband service at an affordable rate, or that the price of stand-alone broadband service substantially exceeds the price for voice and broadband service. Given that approximately half of potential new customers inquire initially about stand-alone broadband services, both companies believe that there are substantial, untapped markets for broadband-only service within their exchange areas.

Wheat State and Wilson both stated their support and appreciation for the "Plan to Support Broadband Deployment in Rural America" announced by Commissioner Pai on June 29, 2015. They indicated that Commissioner Pai's plan constitutes the type of stable, predictable and sufficient high cost support approach needed to encourage and enable RLECs to invest in broadband upgrades, and that it can be implemented readily and with minimal regulatory changes to allow RLECs to offer the affordable stand-alone broadband services increasingly demanded by their rural customers.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceedings.

Respectfully submitted,



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